

For Release: 25 October 2011

FINDERS RESOURCES LIMITED

Interim Funding for Capital Equipment, Wetar Copper Project

Finders Resources Limited (ASX: FND) (“Finders”) announces that two of its major shareholders Taurus Funds Management (“Taurus”) and Resource Capital Funds (“RCF”) have agreed to provide a loan of up to \$8 million to Finders. The funds will be used for deposits and progress payments on Marine Fuel Oil (“MFO”) generators, the transportation and import of the Whim Creek SX/EW plant from Australia and for general working capital purposes. Key terms of the loan are set out at the end of this announcement.

Finders has signed a contract for the purchase of 6 (six) second-hand refurbished generators from Royce Power Engineering Ltd representing a total generating capacity of 19.7MW. Use of MFO generators was a key component of the Bankable Feasibility Study. They offer a significant operating cost saving (around 15% to 20%) compared to high speed diesel due to lower fuel price and greater efficiency. The plant has been conservatively designed to provide significant operational redundancy and is capable of generating sufficient power to maximise cathode plating capacity as long as at least 4 of the 6 generators are operational.

The Whim Creek SX/EW plant was formerly used at the Whim Creek mine in Western Australia and Girilambone in NSW. The plant has a nameplate capacity of 18,000 tpa copper cathode and was purchased by Finders from Straits Resources in 2009. The plant is currently containerised at Port Hedland and Finders has received all necessary import approvals from the Indonesian government. The use of the Whim Creek plant will provide a significant capital cost saving relative to construction of a new plant.

An additional project finance funding package of US\$138 million is currently being arranged with Credit Suisse, Standard Bank and Barclays. The banks have received all external consultant reports necessary for their due diligence. The banks are expected to seek credit committee approval in November.

Finders Managing Director Chris Farmer said the financing is a vote of confidence in Finders:

“The MFO generators and the Whim Creek SX-EW plant are both important parts of our development plan for the Wetar Copper Project. Shipping Whim Creek and securing long lead time equipment such as the MFO generators represent important development milestones.”

“Taurus and RCF have been supportive, long term shareholders who recognise the value of the Wetar Copper Project. Their support means we can sustain project development momentum, ahead of the main project funding.” Mr Farmer said.

The principle terms of the loan from Taurus and RCF are as follows:

- facility amount of up to \$8 million
- the facility is unsecured
- interest rate of 8% p.a. payable quarterly in arrears and may, subject to agreement between the individual lender and Finders, be paid by way of issue of ordinary shares in Finders at the 5 day VWAP for ordinary shares of Finders on the ASX
- the facility is repayable on the earlier of either the project equity raising or 24 October 2012
- if Finders is issuing ordinary shares, the lenders may elect to convert their loan into ordinary shares of Finders at the same issue price per share as the equity raising
- the lenders are entitled to a facility fee of 1.5% of the total facility amount and will be issued warrants over a total of 16 million shares, exercisable at 50c per share at any time in the next three years
- Finders is required to use funds raised on the exercise of the warrants to repay any outstanding amounts under the facility.

- Ends -

Background Information on Finders

Finders is the operator of the Wetar Copper Project (95% Interest), and the Ojolali Gold-Silver Project (72% with option), both located in Indonesia. The Wetar Copper Project comprises two high grade deposits, Kali Kuning and Lerokis, which are located within 3km from the coast and suitable for open pit mining. The project benefits from having existing infrastructure in place, particularly a wharf, camp and roads and partially pre-stripped copper ore bodies from a prior gold mining era. From February 2009 to December 2010, Finders successfully operated a 5 tonne per day Solvent Extraction/Electro Winning ("SX/EW") demonstration plant to test copper sulphide leach kinetics, optimise process design and provide data required for project finance. The demonstration plant produced and sold about 2,500 tonnes of LME Grade A copper cathode, all of which was sold at a premium to the LME price and without specification issues. The test heaps are at heights similar to commercial operations worldwide and the SX/EW technology being used is industry standard. SX/EW technology is currently responsible for approximately 22% of the world's copper production. The development of the Wetar Copper Project comprises the brownfields expansion of the existing demonstration plant to 7,000tpa capacity, followed by incorporation of the Whim Creek plant to lift production to 25,000tpa.

Further information from Finders Resources Ltd, please contact

| | | |
|------------------|------------------------|--------------------------------------------------------------------------|
| Russell Fountain | Non-Executive Chairman | +61 2 8084 1812 |
| Chris Farmer | Managing Director | info@findersresources.com |
| James Wentworth | Finance Director | +61 2 8084 1812 |

Media

FTI Consulting

| | |
|---------------|-----------------|
| Stuart Carson | +61 403 527 755 |
| Andrew Stokes | +61 416 967 038 |